

SERFF Tracking Number: FORE-125760082 State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number: EFT \$125
Company Tracking Number: S-24
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing at a Glance

Company: Foremost Insurance Company Grand Rapids, Michigan

Product Name: Manufactured Home Insurance SERFF Tr Num: FORE-125760082 State: Arkansas
Program

TOI: 04.0 Homeowners

SERFF Status: Closed

State Tr Num: EFT \$125

Sub-TOI: 04.0002 Mobile Homeowners

Co Tr Num: S-24

State Status: Fees verified and
received

Filing Type: Rate/Rule

Co Status:

Reviewer(s): Becky Harrington,
Betty Montesi

Author: Ruth Sieting

Disposition Date: 08/15/2008

Date Submitted: 08/04/2008

Disposition Status: Filed

Effective Date Requested (New): 02/15/2008

Effective Date (New): 02/15/2009

Effective Date Requested (Renewal): 02/15/2009

Effective Date (Renewal):
02/15/2009

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile:

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 08/15/2008

State Status Changed: 08/04/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

We are filing revised rules and rates

Company and Contact

SERFF Tracking Number: FORE-125760082 State: Arkansas
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 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Filing Contact Information

Kaan Cidanli, Administrator kaan.cidanli@foremost.com
 PO Box 2450 (616) 956-3645 [Phone]
 Grand Rapids, MI 49501-2450

Filing Company Information

Foremost Insurance Company Grand Rapids, Michigan CoCode: 11185 State of Domicile: Michigan
 P.O. Box 2450 Group Code: Company Type: Property and Casualty
 Grand Rapids, MI 49501-2450 Group Name: State ID Number:
 (616) 956-3000 ext. [Phone] FEIN Number: 38-1407533

Filing Fees

Fee Required? Yes
 Fee Amount: \$125.00
 Retaliatory? No
 Fee Explanation: Rates = \$100
 Rules = \$25
 Total - \$125.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Foremost Insurance Company Grand Rapids, Michigan	\$125.00	08/04/2008	21761302

SERFF Tracking Number: FORE-125760082 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	08/15/2008	08/15/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	08/13/2008	08/13/2008	Ruth Sieting	08/14/2008	08/14/2008
Pending Industry Response	Becky Harrington	08/04/2008	08/04/2008	Ruth Sieting	08/11/2008	08/11/2008

<i>SERFF Tracking Number:</i>	<i>FORE-125760082</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Foremost Insurance Company Grand Rapids, Michigan</i>	<i>State Tracking Number:</i>	<i>EFT \$125</i>
<i>Company Tracking Number:</i>	<i>S-24</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0002 Mobile Homeowners</i>
<i>Product Name:</i>	<i>Manufactured Home Insurance Program</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Disposition

Disposition Date: 08/15/2008

Effective Date (New): 02/15/2009

Effective Date (Renewal): 02/15/2009

Status: Filed

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Foremost Insurance Company Grand Rapids, Michigan	0.400%	\$399,512	11,317	\$	27.700%	-26.500%	15.100%

SERFF Tracking Number: FORE-125760082 State: Arkansas

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty		No
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
Supporting Document	Letter & Summary of Revisions	Filed	Yes
Supporting Document	Exhibits X-Y-Z	Filed	Yes
Supporting Document	Form RF-1		Yes
Supporting Document	Form RF-1 revised	Filed	Yes
Rate	Rule & Rate Pages	Filed	Yes

SERFF Tracking Number: FORE-125760082 State: Arkansas
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Company Tracking Number: S-24
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/13/2008
Submitted Date 08/13/2008
Respond By Date
Dear Kaan Cidanli,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Although you have enhanced coverages, you are still charging more even though you are not charging the actual value of the enhanced coverages. Had you enhanced coverage yet not increased the premium, then I might agree that the overall effect would be a decrease. Filings must represent the rate changes in amounts previously charged and proposed.

Using the figures from your summary, the current average premium for manufactured homes is \$682.59; the proposed average premium is \$693.46. This is an increase. You are not actually charging the insured the revised average premium of \$720.41, therefore, the actual effect is an increase to the insured and an increase in what is shown in your manual filed with the Department. It is true that since the company could collect the revised average premium, but chose not to, and the proposed amount is less than the revised amount, a decrease to what the company COULD HAVE collected results.

Please correct all applicable documents or the filing will be disapproved.

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,
Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/14/2008

<i>SERFF Tracking Number:</i>	<i>FORE-125760082</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Foremost Insurance Company Grand Rapids,</i>	<i>State Tracking Number:</i>	<i>EFT \$125</i>
	<i>Michigan</i>		
<i>Company Tracking Number:</i>	<i>S-24</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0002 Mobile Homeowners</i>
<i>Product Name:</i>	<i>Manufactured Home Insurance Program</i>		
<i>Project Name/Number:</i>	<i>/</i>		
Submitted Date	08/14/2008		

SERFF Tracking Number: FORE-125760082 State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, State Tracking Number: EFT \$125
Michigan
Company Tracking Number: S-24
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Dear Becky Harrington,

Comments:

Response 1

Comments: Attached, please find revised Form RF-1, which shows a premium change of +0.4%.

Your continued attention to this filing is appreciated. Please let me know if I can be of further assistance.

Kaan K. Cidanli
State Filings Administrator

Related Objection 1

Comment:

Although you have enhanced coverages, you are still charging more even though you are not charging the actual value of the enhanced coverages. Had you enhanced coverage yet not increased the premium, then I might agree that the overall effect would be a decrease. Filings must represent the rate changes in amounts previously charged and proposed.

Using the figures from your summary, the current average premium for manufactured homes is \$682.59; the proposed average premium is \$693.46. This is an increase. You are not actually charging the insured the revised average premium of \$720.41, therefore, the actual effect is an increase to the insured and an increase in what is shown in your manual filed with the Department. It is true that since the company could collect the revised average premium, but chose not to, and the proposed amount is less than the revised amount, a decrease to what the company COULD HAVE collected results.

Please correct all applicable documents or the filing will be disapproved.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form RF-1 revised

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Ruth Sieting

SERFF Tracking Number: FORE-125760082 State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number: EFT \$125
Company Tracking Number: S-24
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/04/2008
Submitted Date 08/04/2008

Respond By Date

Dear Kaan Cidanli,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Form RF-1 (NAIC Data Entry Form) is required with all rate filings.

Objection 2

- Letter & Summary of Revisions (Supporting Document)

Comment: Provide statistical justification for the channel of distribution credit.

Objection 3

- Letter & Summary of Revisions (Supporting Document)

Comment: The percentage change in premium should not be calculated on the revised average premium compared to the proposed average premium. The change should be based upon what the insured will realize, which is the difference between the current average premium compared to the proposed average premium. Please recalculate your overall effect and that shown on Page 3.

Objection 4

- Letter & Summary of Revisions (Supporting Document)

Comment: Explain how an increased premium effect results in a negative rate effect.

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

SERFF Tracking Number: FORE-125760082 State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number: EFT \$125
Company Tracking Number: S-24
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
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Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/11/2008
Submitted Date 08/11/2008

Dear Becky Harrington,

Comments:

Response 1

Comments: 1) Form RF-1 is enclosed

2) Our direct channel of distribution marketing approach will be done by employees of the company. Thus, our sales and acquisition costs will be less. We have selected a factor of .92 to reflect the cost savings for this channel of distribution.

3) Our new policy contains several coverage enhancements in comparison to our current mobile home insurance program. Exhibit X develops a pure premium of \$22.69 for these coverage enhancements. As you note on Page 3 of the Summary of Revisions, we show the adjustment to our current average premium upward to \$37.82, in order to recognize the coverage enhancements.

Our methodology is a standard actuarial practice to recognize the enhancements in our pricing. At the same time, we are aware of your desire to see the premium effect from our change. On page 12 of the Summary of Revisions, we display both the premium effect and the rate effect of the proposed change.

4) Please refer to our response to Objection #3.

Thank you for your attention to this filing. Please let me know if I can be of further assistance.

Kaan K. Cidanli
State Filings Administrator

Related Objection 1

Comment:

Form RF-1 (NAIC Data Entry Form) is required with all rate filings.

SERFF Tracking Number: FORE-125760082 State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number: EFT \$125
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Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Related Objection 2

Applies To:

- Letter & Summary of Revisions (Supporting Document)

Comment:

Provide statistical justification for the channel of distribution credit.

Related Objection 3

Applies To:

- Letter & Summary of Revisions (Supporting Document)

Comment:

The percentage change in premium should not be calculated on the revised average premium compared to the proposed average premium. The change should be based upon what the insured will realize, which is the difference between the current average premium compared to the proposed average premium. Please recalculate your overall effect and that shown on Page 3.

Related Objection 4

Applies To:

- Letter & Summary of Revisions (Supporting Document)

Comment:

Explain how an increased premium effect results in a negative rate effect.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form RF-1

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Ruth Sieting

SERFF Tracking Number:	FORE-125760082	State:	Arkansas
Filing Company:	Foremost Insurance Company Grand Rapids, Michigan	State Tracking Number:	EFT \$125
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TOI:	04.0 Homeowners	Sub-TOI:	04.0002 Mobile Homeowners
Product Name:	Manufactured Home Insurance Program		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Decrease
Overall Percentage of Last Rate Revision:	1.900%
Effective Date of Last Rate Revision:	05/01/2007
Filing Method of Last Filing:	Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Foremost Insurance Company Grand Rapids, Michigan	0.000%	-5.200%	\$399,512	11,317	\$7,724,911	27.700%	-26.500%

SERFF Tracking Number: FORE-125760082 State: Arkansas

Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number: EFT \$125

Company Tracking Number: S-24

TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Rule & Rate Pages	Rule & Rate Pages	Replacement	Arkansas_Rule&Rate Pages.pdf

* MANUFACTURED HOME INSURANCE PROGRAM

RULES

1. Eligibility

Manufactured homes used exclusively for private residential purposes.

* 2. Term

A policy may be written for a term of one year.

3. Premium (General)

a. The premium will be rounded to the nearest whole dollar.

A premium involving \$.50 or over will be rounded to the next whole dollar.

The procedure will apply to all interim premium adjustments including endorsements, or cancellations at the request of the insured. In the case of cancellation by the company, the return premium may be carried to the next higher whole dollar.

b. Any rating discrepancy involving a premium of \$2.00 or less may be waived, except that an overcharge will be refunded, regardless of amount, if requested by the insured.

* 4. Minimum Written Premium

No policy may be written for less than \$50.00. The Trip Coverage premium is in addition to the \$50.00 minimum written premium.

5. Minimum Earned Premium

The minimum earned premium will not be less than \$50.00 if the insured cancels. If the company cancels, this rule does not apply. Trip Coverage premium will be fully earned.

* MANUFACTURED HOME INSURANCE PROGRAM

RULES (Continued)

* 6. Changes

- a. All changes requiring adjustments of premium will be computed pro rata.
- b. Changes - The premium adjustment will be based on the rules and rates in effect at the inception of the policy.

* 7. Cancellation

Cancellation by any party at interest will be computed pro rata.

8. Computation of Pro Rata Factor

- a. To determine the unearned pro rata factor:
 - (1) Determine number of days left in the policy period.
 - (2) Determine number of days in policy period.
 - (3) Divide (1) by (2) which results in the unearned pro rata factor (round to three decimal places).
- b. To determine earned factor:

Subtract the unearned factor from 1.000.

NOTE: One year = 365 days.

* 9. Restriction of Individual Policies

Animal Liability Exclusion – Personal Liability
Specific Structure Exclusion

The following rule applies to these endorsements:

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed.

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS

DEFINITIONS

AGE OF THE MANUFACTURED HOME

The age of the manufactured home will be determined by subtracting the manufactured home model year from the year in which the manufactured home policy becomes effective (or its renewal).

AUXILIARY HEATING DEVICE

An auxiliary heating device is a wood, coal, kerosene heater or any other supplemental heating system, not installed by the original manufactured home manufacturer.

FARM OR RANCH *

Farm or farming means the ownership or use of land for cultivation of agricultural products. However, farm or farming does not include the ownership or use of land for the cultivation of a personal garden.

Ranch or ranching means the ownership or use of land for the raising of livestock such as cattle, sheep or horses.

OUT OF PARK

Manufactured homes not located in a Park.

PARK

A planned and named community of manufactured homes which have permanently installed water, electricity and sewage utility services; which are collectively managed; and whose residents recognize common bylaws or rules. Also, those homes located within an incorporated city to town (This sentence is only available to policies in force prior to June 1, 2008.).

SECONDARY RESIDENCE

A secondary residence is defined as a manufactured home which is occupied on an irregular and noncontinuous basis or on a continuous basis, but less than five (5) consecutive months a year. It may not be rented to others.

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

*

TERRITORIES

Territory A consists of the following counties:

Remainder of State

Territory B consists of the following counties:

Chicot
Clay
Crittenden

Desha
Greene
Lee

Mississippi
Phillips

Territory C consists of the following counties:

Ashley
Calhoun
Clark
Columbia
Dallas
Hempstead

Hot Spring
Howard
Lafayette
Little River
Miller
Nevada

Ouachita
Pike
Sevier
Union

Territory D consists of the following counties:

Benton
Boone

Carroll
Madison

Washington

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

RATING - MINIMUM REQUIREMENTS

Each policy will provide at least these minimum Amounts of Insurance/Limits of Liability and coverage relationships:

Primary Residence

<u>Coverages</u>	<u>Amount of Insurance/Limit of Liability</u>
Coverage A - Dwelling	Amount of Insurance
Coverage B - Other Structures	† 10% of the Coverage A - Dwelling Amount of Insurance
Coverage C - Personal Property	† 40% of the Coverage A - Dwelling Amount of Insurance
Liability	
Coverage E - Personal Liability	\$50,000 Limit of Liability
Coverage F - Medical Payments To Others	\$500 Limit of Liability
Damage To Property Of Others	\$500 Limit of Liability

NOTE:

The Minimum Amounts of Insurance

	Minimum Amount of Insurance
Coverage A – Dwelling	\$ 5,000
Coverage B – Other Structures	500
Coverage C – Personal Property	2,000

† How To Determine the Amount of Insurance for Coverage B – Other Structures and Coverage C – Personal Property

Coverage B – Other Structures

- Step 1. Round the amount of insurance for Coverage A down to the nearest \$1,000
- Step 2. Multiply the amount of insurance for Coverage A, determined in Step 1., by the percentage shown for this coverage, and then round the result to the nearest hundred, subject to the application of the minimum amount of insurance for this coverage.

Coverage C – Personal Property

- Step 1. Round the amount of insurance for Coverage A down to the nearest \$1,000
- Step 2. Multiply the amount of insurance for Coverage A, determined in Step 1., by the percentage shown for this coverage, and then round the result to the nearest hundred, subject to the application of the minimum amount of insurance for this coverage.

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

RATING - MINIMUM REQUIREMENTS (Continued)

Each policy will provide at least these minimum Amounts of Insurance/Limits of Liability and coverage relationships:

Secondary Residence

<u>Coverages</u>	<u>Amount of Insurance/Limit of Liability</u>
Coverage A - Dwelling	Amount of Insurance
Coverage B - Other Structures	Subject to a minimum of \$500
Coverage C - Personal Property	Subject to a minimum of \$2,000

Tenant

<u>Coverages</u>	<u>Amount of Insurance/Limit of Liability</u>
Coverage C - Personal Property	\$5,000 Amount of Insurance
Liability	
Coverage E - Personal Liability	\$50,000 Limit of Liability
Coverage F - Medical Payments To Others	\$500 Limit of Liability
Damage To Property Of Others	\$500 Limit of Liability

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory A

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$292.80
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	17.08
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	8.54
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	6.47
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	4.88

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory B

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$350.00
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	36.00
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	17.50
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	17.50
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	17.50

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory C

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$365.00
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	16.50
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	12.50
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.60
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	6.20

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory D

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$247.00
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	12.50
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	3.30
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	3.20
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	3.10

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE B - OTHER STRUCTURES

Primary and Secondary Residence
\$500 Deductible

Out of Park

Named Insured Under 50 Years of Age

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
A	\$ 100	\$ 9.48	\$.94
B	100	15.00	1.00
C	100	7.85	.85
D	100	7.83	.83

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE C - PERSONAL PROPERTY

Primary and Secondary Residence
\$500 Deductible

Out of Park

Named Insured Under 50 Years of Age

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
A	\$ 100	\$ 74.08	\$.88
B	100	103.60	1.60
C	100	65.80	.80
D	100	61.78	.78

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

TENANT INSURANCE

COVERAGE C - PERSONAL PROPERTY

\$500 Deductible

<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
\$ 1,000	\$125.00	\$ 2.00

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
TENANT INSURANCE

* COVERAGE E - PERSONAL LIABILITY
Primary and Secondary Residence and Tenant

(Includes \$500 Coverage F - Medical Payments to Others and \$500 Damage to Property of Others)

<u>Limit</u>	<u>Premiums</u>
\$ 25,000	\$28
50,000	35
100,000	46
300,000	84
500,000	98

COVERAGE F - MEDICAL PAYMENTS TO OTHERS
Primary and Secondary Residence and Tenant

<u>To Increase Limit To</u>	<u>Additional Premium</u>
\$1,000	\$4

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS

* APPLICATION OF PREMIUM MODIFIERS

The premium modifiers will be applied to Coverage A - Dwelling, Coverage B - Other Structures and Coverage C - Personal Property premiums, if applicable, in the following order:

- | | |
|---|-----------------------------|
| 1. Secondary Residence | 6. Multi Policy |
| 2. Named Insured 50 Years of Age or Older | 7. Deductible |
| 3. In Park Manufactured Home | 8. Farm or Ranch |
| 4. Age of Manufactured Home | 9. Auxiliary Heating Device |
| 5. Channel of Distribution | |

* AGE OF THE MANUFACTURED HOME
Primary and Secondary Residence

Multiply the Coverage A – Dwelling premiums by the appropriate premium modifier.

<u>Age of Manufactured Home</u>	<u>Premium Modifier</u>
Under 3	.84
3 – 4	.88
5 – 6	.92
7 – 10	.96

* AUXILIARY HEATING DEVICE
Primary and Secondary Residence and Tenant

A \$50 charge applies when the manufactured home or other structure is equipped with an auxiliary heating device.

* CHANNEL OF DISTRIBUTION
Primary and Secondary Residence

<u>Channel of Distribution</u>	<u>Premium Modifier</u>
Agent	1.00
Direct	0.92

Multiply Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property by the appropriate premium modifier.

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS (continued)

* DEDUCTIBLE

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by the appropriate deductible factor.

<u>Deductible Amount</u>	<u>Coverage</u>	<u>Primary Residence</u>	<u>Deductible Factors</u>	
			<u>Secondary Residence</u>	<u>Tenant</u>
\$100	Coverage A – Dwelling	1.10	1.10	N/A
	Coverage B – Other Structures	1.10	1.10	N/A
	Coverage C – Personal Property	1.10	1.10	1.10
\$250	Coverage A – Dwelling	1.06	1.06	N/A
	Coverage B – Other Structures	1.06	1.06	N/A
	Coverage C – Personal Property	1.06	1.06	1.06
\$500	Coverage A – Dwelling	Included	Included	N/A
	Coverage B – Other Structures	Included	Included	N/A
	Coverage C – Personal Property	Included	Included	Included
\$750	Coverage A – Dwelling	.95	.95	N/A
	Coverage B – Other Structures	.95	.95	N/A
	Coverage C – Personal Property	.95	.95	.95
\$950	Coverage A – Dwelling	.92	.92	N/A
	Coverage B – Other Structures	.92	.92	N/A
	Coverage C – Personal Property	.92	.92	.92

* FARM OR RANCH
Primary Residence

Increase the premium for Coverage A - Dwelling by \$25 when the manufactured home is used as a Farm or Ranch.

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS (continued)

* IN PARK MANUFACTURED HOME
Primary and Secondary Residence

Multiply the Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property premiums by the appropriate premium modifier when the manufactured home is located in park.

<u>Territory</u>	<u>Premium Modifier</u>
A	.82
B	.80
C	.84
D	.90

* MULTI-POLICY
Primary and Secondary Residence and Tenant

Apply a factor of .95 when the named insured maintains one or more personal lines or life insurance policies with any of the following insurers. If the only other policy is a term, whole life, or variable universal life policy, it must have a face amount of \$50,000 or greater, be issued to an adult and be in-force when the policy is written.

American Federation Insurance Company
American Guarantee and Liability Insurance
American Zurich Insurance Company
Assurance Company of America
Bristol West Insurance Company
Bristol West Casualty Insurance Company
Bristol West Preferred Insurance Company
Cedar Hill Assurance Company
Civic Property and Casualty Company, Inc.
Coast National Insurance Company
Colonial American Casualty and Surety Company
Empire Fire and Marine Insurance
Empire Indemnity Insurance Company
Exact Property and Casualty Company
Farmers Insurance Company, Inc.
Farmers Insurance Company of Arizona
Farmers Insurance Company of Idaho

ARKANSAS

*

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS (continued)

MULTI-POLICY (continued)

Farmers Insurance Company of Oregon
Farmers Insurance Company of Washington
Farmers Insurance Exchange
Farmers Insurance of Columbus, Inc.
Farmers New Century Insurance Company
Farmers Texas County Mutual Insurance
Fidelity and Deposit Company of Maryland
Fire Insurance Exchange
Foremost County Mutual Insurance Company
Foremost Insurance Company Grand Rapids, Michigan
Foremost Lloyds of Texas
Foremost Property and Casualty Insurance Company
Foremost Signature Insurance Company
Illinois Farmers Insurance Company
Maine Bonding and Casualty Company
Maryland Insurance Company
Maryland Lloyds
Mid-Century Insurance Company
Mid-Century Insurance Company of Texas
National Standard Insurance Company
Neighborhood Spirit Property and Casualty
Northern Insurance Company of New York
Security National Insurance Company
Steadfast Insurance Company
Texas Farmers Insurance Company
Truck Insurance Company
Universal Underwriters Insurance Company
Universal Underwriters of Texas Insurance
Valiant Insurance Company
Zurich Insurance Company
Zurich Specialty Insurance Company
Zurich American Insurance Company
Zurich American Insurance Company of Illinois
Zurich American Lloyds

This premium modifier applies to the annual rates/premiums for Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property.

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS (continued)

* NAMED INSURED 50 YEARS OF AGE OR OLDER
Primary and Secondary Residence

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by the appropriate premium modifier when the Named Insured is 50 Years of Age or Older.

<u>Territory</u>	<u>Premium Modifier</u>
A	.74
B	1.00
C	.76
D	.84

SECONDARY RESIDENCE
\$500 Deductible

Increase the premium for Coverage A - Dwelling by \$10 when the manufactured home is used as a Secondary Residence.

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

* HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

30-DAY TRIP COVERAGE
Primary and Secondary Residence

\$75 per policy

* ADDITIONAL COVERAGE
Primary Residence

\$5 per policy

ADDITIONAL RESIDENCE - OWNER-OCCUPIED
Primary Residence

\$25 per policy

COVERAGE C - PERSONAL PROPERTY INCREASE IN
SPECIAL AMOUNT OF INSURANCE FOR TOOLS
Primary Residence

\$5 per policy

COVERAGE C - PERSONAL PROPERTY INCREASE IN
SPECIAL AMOUNT OF INSURANCE FOR WATERCRAFT
Primary and Secondary Residence

\$40 per policy

* DWELLING REPLACEMENT COST PAYMENT METHOD FOR PARTIAL LOSS
OTHER STRUCTURES REPLACEMENT COST PAYMENT METHOD FOR TOTAL AND PARTIAL LOSS
Primary and Secondary Residence

\$35 per policy

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

EARTHQUAKE

10% Earthquake Deductible (\$1,000 minimum)
Primary and Secondary Residence

<u>Amount of Insurance for Coverage A - Dwelling</u>	<u>Premium Territories A, C and D</u>	<u>Territory B</u>
First \$100	\$10.10	\$10.15
For Each Additional \$100	.10	.15

EXCESS DWELLING COVERAGE
(EXCEPT FOR NON-STRUCTURAL HAIL LOSSES)
Primary and Secondary Residence

\$20 per policy

EXCESS DWELLING COVERAGE
(Including Non-Structural Hail Losses)
Primary and Secondary Residence

\$40 per policy

HOBBY FARM OR RANCH AND ANIMAL LIABILITY
Primary Residence

\$25 per policy

INCIDENTAL BUSINESS LIABILITY
Primary Residence

\$25 per policy

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

INCREASED WATERCRAFT LIABILITY TO 125 HORSEPOWER

Primary and Secondary Residence

\$50 per policy

PERSONAL INJURY

Primary Residence

\$20 per policy

REPLACEMENT COST PERSONAL PROPERTY

Primary Residence

<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
\$100	\$20.15	\$.15

SCHEDULED PERSONAL PROPERTY COVERAGE

Primary Residence

Rates per \$100 of Insurance

Jewelry	\$ 1.32
Furs	.40
Cameras	1.80
Golfer's Equipment/Tools	1.32
Stamps	.66
Coins	1.75
Firearms	2.23
Fine Arts/Silverware/Trading Cards	2.50
Musical Instruments	.72

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

UNRELATED NAMED INSURED
Primary and Secondary Residence

\$25 per policy

WATER DAMAGE FROM SEWERS AND DRAINS
Primary and Secondary Residence

\$75 per policy

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY
TENANT INSURANCE

IDENTITY THEFT EXPENSE COVERAGE

\$25 per policy

TENANT INSURANCE

TENANT EARTHQUAKE

10% Earthquake Deductible (\$1,000 minimum)

\$15 per policy

SERFF Tracking Number: FORE-125760082 State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number: EFT \$125
Company Tracking Number: S-24
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Supporting Document Schedules

		Review Status:	
Satisfied -Name:	Letter & Summary of Revisions	Filed	08/15/2008
Comments:			
Attachment:			
arkansas-ltr-rr.pdf			

		Review Status:	
Satisfied -Name:	Exhibits X-Y-Z	Filed	08/15/2008
Comments:			
Attachments:			
Exhibit X-4075.pdf			
Exhibit Y-4076.pdf			
Exhibit Z-4069.pdf			

		Review Status:	
Satisfied -Name:	Form RF-1		08/11/2008
Comments:			
Attachment:			
arkansas_RF-1.pdf			

		Review Status:	
Satisfied -Name:	Form RF-1 revised	Filed	08/15/2008
Comments:			
Attachment:			
arkansas_RF-1-revised.pdf			

Foremost® Insurance Company
Grand Rapids, Michigan

ADMINISTRATIVE OFFICES
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Caledonia, Michigan 49316-0050

MAILING ADDRESS
ATTN: STATE FILINGS DEPT.
P.O. Box 2450
Grand Rapids, Michigan 49501-2450

August 4, 2008

Honorable Mike Pickens
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: Foremost Insurance Company Grand Rapids, Michigan
NAIC #212-11185
Manufactured Home Insurance Program
Revision to the Rule and Rate Sections
Company Tracking Number S-24

Dear Commissioner Pickens:

We submit this filing for your formal stamp of approval or acknowledgement.

The primary purpose of this filing is to introduce our new Manufactured Homeowners Insurance policies and Tenant Insurance policy. These policies will replace our current Mobile Home Insurance Policies and Tenant Insurance Policy.

The title of this program has been changed from Mobile Home Insurance Program to Manufactured Home Insurance Program, as a result of revisions to our policy contracts and endorsements. Please refer to our Forms filing for more details. Many of the changes in the corresponding rule and rate sections have been made to accommodate our forms revisions.

Our Mobile Home Insurance Policy has been in place for approximately 11 years without major revisions. In our new policies, we are introducing several coverage enhancements. These are discussed in our Summary of Revisions.

Here is a synopsis of the contents of our Summary of Revisions, which has been developed to assist your review.

Rule Section

The vast majority of rule changes have been made for editorial purposes. We are reinforcing our intent and eliminating extraneous material.

Rate Section

In consideration of our many coverage broadenings, refinements and rate adjustments, the overall effect is -5.2%.

Foremost® Insurance Company
Grand Rapids, Michigan

Honorable Mike Pickens
Page Two
August 4, 2008

The following rule of implementation will apply:

This filing will be effective for all new and renewal policies written to be effective on and after February 15, 2009. No policy effective prior to the above date is to be cancelled and rewritten to take advantage of or to avoid the application of this filing except at the request of the insured.

Very truly yours,

Kaan K. Cidanli
State Filings Administrator
State Filings
Phone No. (616) 956-3645
Fax No. (616) 956-2093
e-mail: kaan.cidanli@foremost.com

KKC/res

Enclosures: Summary of Revisions, 8/08
Coverage Enhancements – Exhibits X thru Z
Rules and Rates

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

CONTENTS

SECTION	PAGE NUMBER
Rule Section	1
Rate Section	2 thru 12
Replacement of Manual Pages	13
Coverage Enhancements – Exhibits X thru Z	

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

GENERAL COMMENTS

The term "mobile home" has been changed to "manufactured home" throughout our Manual.

RULE SECTION

<u>RULE</u>	<u>REVISION NARRATIVE</u>
1. Eligibility	No change.
2. Term	Changed maximum term from seven years to one year. Deleted second and third paragraphs.
3. Premium (General)	No change.
4. Minimum Written Premium	In first paragraph, deleted the words "regardless of the term". Deleted second paragraph.
5. Minimum Earned Premium	No change.
6. Changes	Deleted paragraphs b. and d.
7. Cancellation	Deleted the words "regardless of policy term".
8. Computation of Pro Rata Factor	No change.
9. Restriction of Individual Policies	Added rule to state how Form 4057 01/07 – Animal Liability Exclusion – Personal Liability, and Form 4056 01/07 – Specific Structure Exclusion endorsements will be used.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION

DEFINITIONS

Added definition of Farm or Ranch.

TERM FACTORS

Deleted reference to Term Factors.

COVERAGE ENHANCEMENTS

In the course of the change to our policy contract format, we made several coverage enhancements. Some of these are the result of the incorporation of previously optional coverage endorsement provisions into our new policies. Additional coverage enhancements were also made.

In order to enable you to review our coverage enhancements, we have created exhibits. Here is a summary of our exhibits:

<u>Current Policy</u>	<u>Proposed Policy</u>	<u>Exhibits</u>	<u>Coverage Enhancements Value</u>	
			<u>Premium if Purchased Separately</u>	<u>Pure Premium included in Policy</u>
3825 03/97 – Mobile Home Insurance Policy	4075 01/07 – Homeowners Insurance for Manufactured Homes	X	\$ 44.80	\$ 22.69
3830 03/97 – Mobile Home Insurance Policy – Property Coverage Only	4076 01/07 – Homeowners Insurance for Manufactured Homes – Property Coverage Only	Y	\$ 49.80	\$ 25.29
3824 03/97 – Tenant Insurance	4069 01/07 – Tenant Insurance	Z	\$ 9.80	\$ 4.38

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Here is a summary of the premium effect of the coverage enhancements in our new policy based upon the average premium.

<u>Policy Type</u>	<u>Net Value of Coverage Enhancements</u>	<u>Current Average Premium</u>	<u>Revised Average Premium</u>	<u>Percent Change</u>
Homeowners Insurance for Manufactured Homes	\$ 37.82 ⁽¹⁾	\$ 682.59	\$ 720.41 ⁽⁴⁾	5.5% ⁽⁵⁾
Homeowners Insurance for Manufactured Homes – Property Coverage Only	42.15 ⁽²⁾	647.59	689.74 ⁽⁴⁾	6.5% ⁽⁵⁾
Tenant Insurance	7.30 ⁽³⁾	260.00	267.30 ⁽⁴⁾	2.8% ⁽⁵⁾

⁽¹⁾ Pure premium of coverage enhancements from manufactured home insurance Exhibit X \$22.69 divided by balance point loss ratio of .60 = \$37.82

⁽²⁾ Pure premium of coverage enhancements from manufactured home insurance Exhibit Y \$25.29 divided by balance point loss ratio of .60 = \$42.15

⁽³⁾ Pure premium of coverage enhancements from tenant insurance Exhibit Z \$4.38 divided by balance point loss ratio .60 = \$7.30

⁽⁴⁾ Revised average premium = current average premium + value of coverage enhancements

⁽⁵⁾ Percent change = (revised average premium ÷ current average premium) – 1

At this time, we have decided to increase our average premium \$10.87 for manufactured home insurance policy and \$5 for tenant insurance policy to recognize the premium value of new coverage enhancements. As a result, the overall premium effect is as follows:

<u>Policy Type</u>	<u>Number of Policyholders</u>	<u>Current Average Premium</u>	<u>Revised Average Premium</u>	<u>Proposed Average Premium</u>	<u>Percent Change</u>
Homeowners Insurance for Manufactured Homes	10,885	\$ 682.59	\$ 720.41	\$693.46 ⁽⁶⁾	-3.7% ⁽⁷⁾
Homeowners Insurance for Manufactured Homes – Property Coverage Only	378	647.59	689.74	658.46 ⁽⁶⁾	-4.5% ⁽⁷⁾
Tenant Insurance	54	260.00	267.30	265.00 ⁽⁶⁾	-0.9% ⁽⁷⁾

⁽⁶⁾ Proposed average premium = (current average premium + proposed rate increase)

⁽⁷⁾ Percent change = (proposed average premium ÷ revised average premium)

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

PREMIUM MODIFIERS

Effect of Coverage Enhancements -4.0%

Application Of Premium Modifiers

Re-arranged the order of how the premium modifiers are applied. Also added In-Park Manufactured Home, Channel of Distribution, Named Insured 50 Years or Age or Older, Multi-Policy, Deductible and Farm or Ranch to the list.

Deductible

We currently offer the following deductible options:

Deductible Amount	Coverage	Primary Residence	Secondary Residence	Tenant
\$100	Coverage A – Dwelling	Add \$48	Add \$48	n/a
	Coverage B – Other Structures	Add 7	Add 7	n/a
	Coverage C – Personal Property	Add 20	Add 20	Add \$20
\$250	Coverage A – Dwelling	Add \$26	Add \$26	n/a
	Coverage B – Other Structures	Add 4	Add 4	n/a
	Coverage C – Personal Property	Add 10	Add 10	Add \$10
\$500	Coverage A – Dwelling	Included	Included	n/a
	Coverage B – Other Structures	Included	Included	n/a
	Coverage C – Personal Property	Included	Included	Included
\$750	Coverage A – Dwelling	Subtract \$20	Subtract \$20	n/a
	Coverage B – Other Structures	Subtract 3	Subtract 3	n/a
	Coverage C – Personal Property	Subtract 7	Subtract 7	Subtract \$7
\$950	Coverage A – Dwelling	Subtract \$39	Subtract \$39	n/a
	Coverage B – Other Structures	Subtract 6	Subtract 6	n/a
	Coverage C – Personal Property	Subtract 15	Subtract 15	Subtract \$15

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

We are proposing to change from fixed dollar credits to factors as follows:

Deductible Amount	Coverage	Primary Residence		Secondary Residence		Tenant
\$100	Coverage A – Dwelling	Multiply	1.10	Multiply	1.10	n/a
	Coverage B – Other Structures	Multiply	1.10	Multiply	1.10	n/a
	Coverage C – Personal Property	Multiply	1.10	Multiply	1.10	Multiply 1.10
\$250	Coverage A – Dwelling	Multiply	1.06	Multiply	1.06	n/a
	Coverage B – Other Structures	Multiply	1.06	Multiply	1.06	n/a
	Coverage C – Personal Property	Multiply	1.06	Multiply	1.06	Multiply 1.06
\$500	Coverage A – Dwelling	Included		Included		n/a
	Coverage B – Other Structures	Included		Included		n/a
	Coverage C – Personal Property	Included		Included		Included
\$750	Coverage A – Dwelling	Multiply	.95	Multiply	.95	n/a
	Coverage B – Other Structures	Multiply	.95	Multiply	.95	n/a
	Coverage C – Personal Property	Multiply	.95	Multiply	.95	Multiply .95
\$950	Coverage A – Dwelling	Multiply	.92	Multiply	.92	n/a
	Coverage B – Other Structures	Multiply	.92	Multiply	.92	n/a
	Coverage C – Personal Property	Multiply	.92	Multiply	.92	Multiply .92

<u>Deductible Amount</u>	<u>Policy Count</u>	<u>Current Modifier</u>	<u>Proposed Modifier</u>	<u>Average Proposed Change</u>
\$ 100	336	\$ 75	\$ 68.26	\$ -6.74
250	4,718	40	40.96	0.96
500	5,428	0	0	0
750	126	40	34.13	5.87
950	709	60	54.61	5.39
Total/Average	11,317			\$.60

While some policyholders will see premiums go up and down slightly, on average this will result in a overall effect of $(\$0.60 \times 11,317) / \$7,724,911 \text{ NWP} = +0.0\%$

Farm or Ranch

Added to premium modifier.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Multi-Policy

We will multiply Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property rates by a factor of .95 when the named insured maintains one or more personal lines or life insurance policies with any Farmers, Foremost or Zurich affiliated company.

We expect 20% of our insureds to qualify for this discount resulting in an average discount of \$35.00 and an overall effect of $((.20 \times 11,317 \times -35.00) \div \$7,724,911 \text{ NWP}) = -1.0\%$.

Age of Manufactured Home

In our last filing, we introduced an array of discounts for newer homes in an attempt to stimulate new business. These discounts have not produced additional new business and will be phased out.

<u>Age of Mobile Home</u>	<u>Current</u>	<u>Proposed</u>	<u>Average Change</u>	<u>Policies in Force</u>
Under 3	.82	.84	\$ 10.92	168
3 – 4	.86	.88	10.19	135
5 – 6	.90	.92	9.86	202
7 – 10	.94	.96	10.09	1,436

The overall effect is $(\$1.69 \times 11,317) / \$7,724,911 \text{ NWP} = +0.2\%$

Named Insured 50 Years of Age or Older and In Park Premium Modifiers

We currently have separately displayed rates as follows:

- Insureds age 50 or older and in-park
- Insureds age 50 or older and out of park
- Insureds under age 50 and in-park
- Insureds under age 50 and out of park

We are proposing to introduce the following premium modifiers to our insureds under age 50 and out of park:

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Named Insured 50 Years of Age or Older

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by a factor below, when the named insured is 50 years of age or older.

<u>Territory</u>	<u>Premium Modifier</u>
A	.74
B	1.00
C	.76
D	.84

In Park Manufactured Home

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by a factor below when the manufactured home is located in park.

<u>Territory</u>	<u>Premium Modifier</u>
A	.82
B	.80
C	.84
D	.90

The effects of moving to premium modifiers is included with the overall rate change.

Auxiliary Heating Device

According to the U.S. Fire administration (Vol. 1, Issue 9), heating fires are the leading cause of fires in rural areas of the country. They represent the second leading cause of all residential fires (behind cooking fires). One third of the heating fires results from improper maintenance of heating equipment. Heating fires represent about 10% of all residential fires. 28% of these or 2.8% of all fires resulted from resin/tar build up. From this information we developed the following analysis.

	<u>Calculations</u>	<u>Note</u>
1. 10 yr. average number of auxiliary heating claims	118.13	42,188 fire claims occurred between 1998-2007 (.028*42,118/10)
2. 10 yr. average fire frequency for auxiliary heating device	1.61%	Claims/auxiliary heating Est. E.U. (118.13/7,336)*100

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

3. 10 year average fire severity	\$13,562.56	Actual fire average manufactured home severity (1998-2007)
4. Average loss per auxiliary heating earned units	\$218.36	(13,562.56 x .0161)
5. Premium required to cover auxiliary heating exposure	\$116.34	(\$67.94/.584 balance point)
6. Current premium charged for auxiliary heating exposure	\$25	
8. Additional premium needed to breakeven	\$91.34	(\$116.34 - \$25)

We currently charge \$25 for auxiliary heating devices. Based on our loss expectations, we are proposing to increase this charge to \$50.

We currently have 79 policyholders with auxiliary heating device affected by this charge. The overall effect is $(79 \times \$25) / \text{net written premium of } \$7,724,911 = 0.0\%$.

Channel of Distribution

We will multiply (reduce) Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property by a factor of .92 when the policy is written by a direct producer. Currently, 7.2% of insureds qualify for this discount resulting in an average discount of \$56.01. the overall effect is $((.072 \times 11,317 \times -56.01) / \$7,724,911 \text{ NWP}) = -0.6\%$

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

LIABILITY INCREASED LIMIT FACTORS

We display premium amounts in our manual, but the premiums are based upon relativity factors. The current increased limit factors were based on judgment. In assessing this judgment, we reviewed our countrywide experience, which is shown in the following data:

Coverage E – Personal Liability (Countrywide data*)

<u>Limit</u>	<u>Ultimate Pure Premium</u>	<u>Actual Relativity</u>	<u>Selected Relativity</u>	<u>Current Arkansas Relativity</u>
\$ 25,000	\$13.03	0.815	0.80	0.857
50,000	15.99	1.000	1.00	1.000
100,000	21.23	1.328	1.30	1.571
300,000	39.58	2.475	2.40	1.857
500,000	45.70	2.857	2.80	2.143

*California, Florida and Texas losses are not included. Our program in these states have features that would skew our calculations.

We are proposing to align Arkansas increased limit factors with the selected countrywide relativity as follows:

<u>Limit</u>	<u>Policies In Force</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Current Premium</u>	<u>Proposed Premium</u>	<u>Change</u>
\$ 25,000	232	0.875	0.80	\$ 30	\$ 28	\$ -2
50,000	8,654	1.000	1.00	35	35	0
100,000	1,845	1.571	1.30	55	46	-9
300,000	481	1.857	2.40	65	84	+19
500,000	105	2.143	2.80	75	98	+23
Total	11,317			39.80	39.32	-.48

The overall effect is $(11,317 \times \$-.48) / \text{net written premium of } \$7,724,911 = -0.01\%$.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

ENDORSEMENTS

Incidental Business Liability Endorsement – Form 4060 01/07

This is a new endorsement. We will charge a premium of \$25 when this form is provided. The premium charge is based on a survey of other insurance carriers, ISO loss costs and our expected limit of liability.

Personal Injury – Form 4042 01/07

This is a new endorsement. We will charge a premium of \$20 when this form is provided. The premium charge is based on a survey of other insurance carriers, ISO loss costs and our expected limit of liability.

Water Damage from Sewers and Drains – Form 4058 01/07

This is a new endorsement. We will charge a premium of \$75 when this form is provided. The premium charge is based on a survey of other insurance carriers, ISO loss costs and our expected limit of liability.

Hobby Farm or Ranch and Animal Liability Endorsement – Form 4054 01/07

This is a new endorsement. We will charge a premium of \$25 when this form is provided. We currently do not have any experience writing this type of business nor could we find comparable competitor coverage. However, we do anticipate a significant increase in losses because of the property damage and injuries related to hobby farms and animal liability. We will track this experience and adjust our premium as needed.

Additional Coverage Endorsement – Form 4035 01/07

This is a new form.

This form incorporates Form 3055 11/96 Loss Assessment. The loss assessment coverage is essentially the same in both forms. In addition to providing loss assessment coverage, the Additional Coverage Endorsement increases the Amounts of Insurance for Emergency Removal from \$250 to \$500 and Ordinance or Law from 5% to 10%.

We currently have 13 policies with Loss Assessment and charge a premium of \$20. We are proposing to charge \$5 for the Additional Coverage Endorsement. The rate effect of this form change is -\$65 for no appreciable overall rate effect.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Excess Dwelling Coverage (Except for Non-Structural Hail Losses) – Form 07/08

Past reviews indicate that actual cash value (ACV) averages 70% to 80% of the replacement cost value (RCV) for a manufactured home. From this information, the following analysis represents our premium and loss expectations for replacement cost coverage.

	<u>Actual Cash Value</u>	<u>Replacement Cost Value</u>	<u>Note</u>
1. Average home value	\$ 41,775	\$ 55,700	(\$45,000 x .75)
2. Difference in severity between ACV and RCV		\$13,925	(\$55,700 - \$41,775)
3. Total loss frequency		0.400%	
4. Increase in average loss per earned unit		\$55.70	(\$13,925 x .004)
5. Premium increase due to RCV		\$94.73	(\$55.70/.588 balance point)
6. Average dwelling premium	\$617	\$684	
7. Additional premium collected for RCV		\$67	(\$684 - \$617)
8. Additional premium needed to break even		\$28	(\$95 - \$67)

We currently charge \$15 for excess dwelling coverage (except for non-structural hail losses). Based on our premium and loss experience, we are proposing to increase this by \$5.

We currently have 1,637 policyholders with excess dwelling coverage (except for non-structural hail). The overall effect is $(1,637 \times \$5) / \$7,724,911 \text{ NWP} = +0.1\%$.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Farm or Ranch

We currently require our Farmstead endorsement to write a home located on a farm or ranch. The Farmstead endorsement excludes coverage for any land and for any structure or personal property used for farming purposes. Property grown for business or farming purposes is excluded.

We currently charge \$25 for homes located on a farm or ranch. We will continue to write homes located on a farm or ranch but the provisions of the Farmstead endorsement have been included in the policy jacket and the endorsement is no longer needed. We plan to continue to charge an additional \$25 for homes located on farms or ranches to recognize the greater exposures to physical damage and liability hazards.

SUMMARY OF CHANGES

We are breaking the summary of changes into premium effects and rate effects since we want to show how insureds premium will change as well as the expected rate effect of introducing our new policy.

	<u>Per Policy Premium Effect</u>	<u>Rate Effect</u>	<u>Expected Change NWP</u>
Increased liability factors	\$ -0.48	-0.1%	\$ -5,432.16
Age of Manufactured Home	-1.69	+0.2%	+19,125.73
Auxiliary heating device	+0.17	+0.0%	+1,975.00
Deductible	+0.60	+0.0%	+6,790.20
Excess dwelling coverage	+0.72	+0.1%	+8,185.00
Coverage enhancements	+10.87	-4.0%	-305,298.79
Multi-Policy	-7.00	-1.0%	-79,219.00
Channel of Distribution	-4.03	-0.6%	-45,638.21
Overall change	+2.54	-5.2%	-399,512.23

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

Replacement of Manual Pages

Please withdraw –

Rule Pages 1 and 2 – Revised Printing 10/98

Rate Pages R-1 – Revised Printing 4/01

Rate Pages R-2 and R-3 – Revised Printing 11/03

Rate Page R-4 – Original Printing 10/98

Rate Pages R-5 thru R-8 – Revised Printing 12/06

Rate Pages R-9 and R-10 – Revised Printing 4/05

Rate Page R-11 – Revised Printing 11/03

Rate Page R-12 – Revised Printing 12/06

Rate Page R-13 – Revised Printing 4/05

Rate Page R-14 – Revised Printing 11/03

Rate Pages R-15 and R-16 – Revised Printing 12/06

Rate Page R-17 – Revised Printing 6/05

Rate Page R-18 – Original Printing 6/05

Please insert –

Rule Pages 1 and 2 – Revised Printing 8/08

Rate Pages R-1 thru R-18 – Revised Printing 8/08

Rate Pages R-19 thru R-22 – Original Printing 8/08

Foremost Insurance Company - Homeowners Insurance for Manufactured Homes Exhibit - X

No	Coverage Description	Premium If Purchased Separately	Pure Premium When Included In Policy	Basis for Pure Premium Calculations
Coverage A - Dwelling				
1.	Additional debris removal will be limited to 5% or coverage A – Dwelling or \$5,000.	Not available separately	\$0.00	The increase from \$2,500 to \$5,000 is expected to offset any negative coverage impact from this change.
2.	Deductible waiver for total losses.	Not available separately	+\$2.50	1 in 200 losses are total losses and the average deductible is \$500. (.005 est. freq x \$500)
3.	Eliminated loss of value settlement for hail losses.	+\$10.00	+\$6.00	This will add \$6 of pure premium (\$10 x .60 balance point loss ratio) to average loss.
Coverage B – Other structures				
4.	Added coverage for materials and supplies used in the construction or alteration of other structures.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance
Coverage C – Personal Property				
5.	Increased special limit for personal property primarily used or intended for business purposes while away from your premises from \$250 to \$500.	Not available separately	+\$0.05	10 in 100 earned units have exposure adding \$250 to business property theft off premises losses. (.00196 est. freq x .10 x \$250)
6.	Increased special limit for securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, personal records, tickets, and stamps from \$1,000 to \$1,500	Not available separately	+\$0.00	This enhancement will result in an increase in severity, but not to any significance.
7.	Increased special limit for watercraft, including their trailers, furnishings, accessories, equipment and engines or motors from \$1,000 to \$1,500.	\$4.00	+\$0.60	12 in 100 earned units have exposure adding \$500 to watercraft theft losses. (.0100 est. freq x .12 x \$500)
8.	Increased special limit for trailers, other than watercraft, from \$1,000 to \$1,500.	Not available separately	+\$0.40	8 in 100 earned units have exposure adding \$500 to trailer theft losses. (.0100 est. freq x .08 x \$500)
9.	Reinforced intent not to insure camper bodies, camper trailers or travel trailers under \$1,000 trailer special limit	Not available separately	-\$0.80	8 in 100 earned units have exposure adding \$500 to trailer theft losses. (.0100 est. freq x .08 x \$1,000)
10.	Increased special limit for jewelry, watches, furs, precious and semi precious stones, for loss by theft from \$1,000 to \$1,500.	+\$6.25	+\$5.00	100 in 100 earned units have exposure adding \$500 to jewelry theft losses. (.0100 est. freq x 1.0 x \$500)
11.	Increased special limit for firearms from \$2,000 to \$2,500.	+\$11.15	+\$2.00	40 in 100 earned units have exposure adding \$500 to firearm theft losses. (.0100 est freq x .40 x \$500)
12.	Increased special limit for memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value from \$1,000 to \$1,500.	+\$11.25	+\$1.25	Assume 25 in 100 earned units have exposure adding \$500 to memorabilia theft losses. (.0100 est. freq x .25 x \$500)
13.	Expanded special limit for memorabilia to all perils not just theft.	-\$11.25	-\$2.29	25 in 100 earned units have exposure adding \$500 to memorabilia other than theft losses. (.0183 est. freq x .25 x \$500)
14.	Added special limit for vehicles or conveyances of \$5,000.	(\$0.00)	(\$0.00)	This reduction is being added in anticipation of the next generation of vehicles. We do not expect existing business to be affected by the new limitation.
15.	Expanded special limit for tools to all perils not just theft.	-\$6.60	-\$1.83	20 in 100 earned units have exposure adding \$500 to tool losses other than theft losses (.0183 est. freq x .20 x \$500)

No	Coverage Description	Premium If Purchased Separately	Pure Premium When Included In Policy	Basis for Pure Premium Calculations
16.	Eliminated coverage for damage to your property caused by domestic household animals.	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
Additional Coverage				
17.	Increased the amount for removal of trees under debris removal from \$500 to \$1,000.	Not available separately	+\$3.41	25 in 100 earned units have exposure adding \$500 to weather related debris removal. (.0273 est. freq x .25 x \$500)
18.	Added loss assessment coverage	+\$10.00	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
19.	Added ordinance or law coverage	+\$15.00	+\$9.00	(\$15 x .60 balance point loss ratio) to average loss.
20	Eliminated coverage for trees, shrubs plants and lawns more than 150 feet from the dwelling	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
Coverage E – Liability				
21	Incidental farm or ranch operations and animal liability.	-\$5.00 (liability portion only)	-\$2.60	10 in 100 earned units have exposure adding \$4,318 to incidental farm liability losses. (.00601 est. freq x .10 x \$4,318)
22	Expenses incurred at our request including loss of earnings has been increase from \$100 to \$250 per day.	Not available Separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
Conditions				
23	The policy has been extended to address properties held in trust.	Not available Separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
Totals		+\$44.80	+\$22.69	

Calculations Notes

1. Increase bus property bus spc limit – Theft off for 96, 97, 98 was 17 % of theft losses. Used 20% of 10 yr all thefts to est freq.
2. Increase spc limit for watercraft – used MI 6919 - .8/\$100. 1996-2005 group theft loss freq – 12% comes from cw nfo
3. Increase trailers – used 1996-2005 group theft loss freq – 8% comes from cw nfo – own travel trailer.
4. Jewelry inc limit – used \$1.25/100 for price – typical floater price. 1996-2005 group theft loss freq.
5. Firearms – used \$2.23/100 from typical floater. 1996-2005 group theft loss freq.
6. Memorabilia – used \$2.25/100 from typical floater. 1996 -2005 group theft loss freq. 1996-2005 other than theft losses.
7. Incidental farm – used 96-2005 liab freq and sev for liab.
8. Ordinance or law - \$15 x .6 bal pt = \$9
9. Appearance hail – The difference between appearance and replacement cost (this may change by state).

Foremost Insurance Company - Homeowners Insurance for Manufactured Homes Exhibit - Y

No	Coverage Description	Premium If Purchased Separately	Pure Premium When Included In Policy	Basis for Pure Premium Calculations
	Coverage A - Dwelling			
1.	Additional debris removal will be limited to 5% or coverage A – Dwelling or \$5,000.	Not available separately	\$0.00	The increase from \$2,500 to \$5,000 is expected to offset any negative coverage impact from this change.
2.	Deductible waiver for total losses.	Not available separately	+\$2.50	1 in 200 losses are total losses and the average deductible is \$500. (.005 est. freq x \$500)
3.	Eliminated loss of value settlement for hail losses.	+\$10.00	+\$6.00	This will add \$6 of pure premium (\$10 x .60 balance point loss ratio) to average loss.
	Coverage B – Other structures			
4.	Added coverage for materials and supplies used in the construction or alteration of other structures.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance
	Coverage C – Personal Property			
5.	Increased special limit for personal property primarily used or intended for business purposes while away from your premises from \$250 to \$500.	Not available Separately	+\$0.05	10 in 100 earned units have exposure adding \$250 to business property theft off premises losses. (.00196 est. freq x .10 x \$250)
6.	Increased special limit for securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, personal records, tickets, and stamps from \$1,000 to \$1,500	Not available Separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
7.	Increased special limit for watercraft, including their trailers, furnishings, accessories, equipment and engines or motors from \$1,000 to \$1,500.	+\$4.00	+\$0.60	12 in 100 earned units have exposure adding \$500 to watercraft theft losses. (.0100 est. freq x .12 x \$500)
8.	Increased special limit for trailers, other than watercraft, from \$1,000 to \$1,500.	Not available Separately	+\$0.40	8 in 100 earned units have exposure adding \$500 to trailer theft losses. (.0100 est. freq x .08 x \$500)
9.	Reinforced intent not to insure camper bodies, camper trailers or travel trailers under \$1,000 trailer special limit	Not available Separately	-\$0.80	8 in 100 earned units have exposure adding \$500 to trailer theft losses. (.0100 est. freq x .08 x \$1,000)
10.	Increased special limit for jewelry, watches, furs, precious and semi precious stones, for loss by theft from \$1,000 to \$1,500.	+\$6.25	+\$5.00	100 in 100 earned units have exposure adding \$500 to jewelry theft losses. (.0100 est. freq x 1.0 x \$500)
11.	Increased special limit for firearms from \$2,000 to \$2,500.	+\$11.15	+\$2.00	40 in 100 earned units have exposure adding \$500 to firearm theft losses. (.0100 est freq x .40 x \$500)
12.	Increased special limit for memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value from \$1,000 to \$1,500.	\$11.25	+\$1.25	Assume 25 in 100 earned units have exposure adding \$500 to memorabilia theft losses. (.0100 est. freq x .25 x \$500)
13.	Expanded special limit for memorabilia to all perils not just theft.	-\$11.25	-\$2.29	25 in 100 earned units have exposure adding \$500 to memorabilia other than theft losses. (.0183 est. freq x .25 x \$500)
14.	Added special limit for vehicles or conveyances of \$5,000.	(\$0.00)	(\$0.00)	This reduction is being added in anticipation of the next generation of vehicles. We do not expect existing business to be affected by the new limitation.
15.	Expanded special limit for tools to all perils not just theft.	-\$6.60	-\$1.83	20 in 100 earned units have exposure adding \$500 to tool losses other than theft losses (.0183 est. freq x .20 x \$500)

No	Coverage Description	Premium If Purchased Separately	Pure Premium When Included In Policy	Basis for Pure Premium Calculations
16.	Eliminated coverage for damage to your property caused by domestic household animals.	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
	Additional Coverage			
17.	Increased the amount for removal of trees under debris removal from \$500 to \$1,000.	Not available separately	+\$3.41	25 in 100 earned units have exposure adding \$500 to weather related debris removal. (.0273 est. freq x .25 x \$500)
18.	Added loss assessment coverage	+\$10.00	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
19.	Added ordinance or law coverage	+\$15.00	+\$9.00	(\$15 x .60 balance point loss ratio) to average loss.
20	Eliminated coverage for trees, shrubs plants and lawns more than 150 feet from the dwelling	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
	Conditions			
23	The policy has been extended to address properties held in trust.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
	Totals	+\$49.80	+\$25.29	

Calculations Notes

1. Increase bus property bus spc limit – Theft off for 96, 97, 98 was 17 % of theft losses. Used 20% of 10 yr all thefts to est freq.
2. Increase spc limit for watercraft – used MI 6919 - .8/\$100. 1996-2005 group theft loss freq – 12% comes from cw nfo
3. Increase trailers – used 1996-2005 group theft loss freq – 8% comes from cw nfo – own travel trailer.
4. Jewelry inc limit – used \$1.25/100 for price – typical floater price. 1996-2005 group theft loss freq.
5. Firearms – used \$2.23/100 from typical floater. 1996-2005 group theft loss freq.
6. Memorabilia – used \$2.25/100 from typical floater. 1996 -2005 group theft loss freq. 1996-2005 other than theft losses.
7. Incidental farm – used 96-2005 liab freq and sev for liab.
8. Ordinance or law - \$15 x .6 bal pt = \$9
9. Appearance hail – The difference between appearance and replacement cost (this may change by state).

Foremost Insurance Company - Tenant Insurance Policy

Exhibit Z

No	Coverage Description	Premium If Purchased Separately	Pure Premium When Included In Policy	Basis for Pure Premium Calculations
Coverage C – Personal Property				
1.	Increased special limit for personal property primarily used or intended for business purposes while away from your premises from \$250 to \$500.	Not available separately	+\$0.05	10 in 100 earned units have exposure adding \$250 to business property theft off premises losses. (.00196 est. freq x .10 x \$250)
2.	Increased special limit for securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, personal records, tickets, and stamps from \$1,000 to \$1,500	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
3.	Increased special limit for watercraft, including their trailers, furnishings, accessories, equipment and engines or motors from \$1,000 to \$1,500.	+\$4.00	+\$0.60	12 in 100 earned units have exposure adding \$500 to watercraft theft losses. (.0100 est. freq x .12 x \$500)
4.	Increased special limit for trailers, other than watercraft, from \$1,000 to \$1,500.	Not available separately	+\$0.40	8 in 100 earned units have exposure adding \$500 to trailer theft losses. (.0100 est. freq x .08 x \$500)
5.	Reinforced intent not to insure camper bodies, camper trailers or travel trailers under \$1,000 trailer special limit	Not available separately	-\$0.80	8 in 100 earned units have exposure adding \$500 to trailer theft losses. (.0100 est. freq x .08 x \$1,000)
6.	Increased special limit for jewelry, watches, furs, precious and semi precious stones, for loss by theft from \$1,000 to \$1,500.	+\$6.25	+\$5.00	100 in 100 earned units have exposure adding \$500 to jewelry theft losses. (.0100 est. freq x 1.0 x \$500)
7.	Increased special limit for firearms from \$2,000 to \$2,500.	+\$11.15	+\$2.00	40 in 100 earned units have exposure adding \$500 to firearm theft losses. (.0100 est. freq x .40 x \$500)
8.	Increased special limit for memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value from \$1,000 to \$1,500.	+\$11.25	+\$1.25	Assume 25 in 100 earned units have exposure adding \$500 to memorabilia theft losses. (.0100 est. freq x .25 x \$500)
9.	Expanded special limit for memorabilia to all perils not just theft.	-\$11.25	-\$2.29	25 in 100 earned units have exposure adding \$500 to memorabilia other than theft losses. (.0183 est. freq x .25 x \$500)
10.	Added special limit for vehicles or conveyances of \$5,000.	(\$0.00)	(\$0.00)	This reduction is being added in anticipation of the next generation of vehicles. We do not expect existing business to be affected by the new limitation.
11.	Expanded special limit for tools to all perils not just theft.	-\$6.60	-\$1.83	20 in 100 earned units have exposure adding \$500 to tool losses other than theft losses (.0183 est. freq x .20 x \$500)
12.	Eliminated coverage for damage to your property caused by domestic household animals.	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
Coverage E – Liability				
13.	Incidental farm or ranch operations and animal liability.	-\$5.00 (liability portion only)	\$0.0	We currently do not write tenants with farm or ranch exposures.
14.	Expenses incurred at our request including loss of earnings has been increase from \$100 to \$250 per day.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
Conditions				
15.	The policy has been extended to address properties held in trust.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
Totals		+\$9.80	+\$4.38	

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #		S-24	
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number		n/a	
		Company Name		Company NAIC Number
3.	A.	Foremost Insurance Company Grand Rapids, Michigan	B.	0212-11185
		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	4.0000	B.	4.0002

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Manufactured Home	+15.1 *	-5.2					
TOTAL OVERALL EFFECT							

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	10,712			6,037	1,085	70.0	58
2004	11,321	+3.7	3/1/2004	6,669	3,684	55.2	92
2005	11,549	+1.1	9/1/2005	7,159	3,857	53.9	77
2006	11,512			7,511	4,977	66.3	48
2007	111,317	+1.9	5/2007	7,645	4,108	53.7	53
6/2008	11,578			3,933	5,437	138.2	64

7.

Expense Constants	Selected Provisions
A. Total Production Expense	15.0
B. General Expense	18.0
C. Taxes, License & Fees	3.7
D. Underwriting Profit & Contingencies	5.0
E. Other (explain)	
F. TOTAL	41.7

8. N Apply Lost Cost Factors to Future filings? (Y or N)

9. +27.7% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

10. -26.5% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

PC RLC

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* 2003 – 6/2008 Loss Ratio of 67.1% ÷ Balance Point Loss Ratio (1 – 41.7%) minus 1

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #		S-24	
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number		n/a	
		Company Name		Company NAIC Number
3.	A.	Foremost Insurance Company Grand Rapids, Michigan	B.	0212-11185
		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	4.0000	B.	4.0002

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Manufactured Home	+15.1 *	+0.4					
TOTAL OVERALL EFFECT		+0.4**					

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2003	10,712			6,037	1,085	70.0	58
2004	11,321	+3.7	3/1/2004	6,669	3,684	55.2	92
2005	11,549	+1.1	9/1/2005	7,159	3,857	53.9	77
2006	11,512			7,511	4,977	66.3	48
2007	111,317	+1.9	5/2007	7,645	4,108	53.7	53
6/2008	11,578			3,933	5,437	138.2	64

7.

Expense Constants	Selected Provisions
A. Total Production Expense	15.0
B. General Expense	18.0
C. Taxes, License & Fees	3.7
D. Underwriting Profit & Contingencies	5.0
E. Other (explain)	
F. TOTAL	41.7

8. N Apply Lost Cost Factors to Future filings? (Y or N)

9. +27.7% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

10. -26.5% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

PC RLC

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* 2003 – 6/2008 Loss Ratio of 67.1% ÷ Balance Point Loss Ratio (1 – 41.7%) minus 1

** % Premium Change